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THE BUDGET RESOLUTION

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1995

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, May 31, 1995 into the CONGRESSIONAL RECORD.

BALANCED BUDGET PLANS

The House of Representatives recently completed action on the budget resolution, which sets broad dollar targets for federal spending and revenues for the next seven years. Each of the four versions considered by the House would, in theory, balance the federal budget by the year 2002. Some would even produce a surplus and begin reducing the national debt.

The House leadership deserves credit for bringing balanced budget resolutions to the floor. The deficit this year is projected to be just under \$200 billion. The deficit has been significantly reduced—from 4.9% of the total economy three years ago to 2.5% today—but much more needs to be done. The cuts necessary to erase the deficit will be felt by all Americans. Congress' challenge is to make sure that the burden of cuts is distributed fairly.

A Moderate Plan: I support a balanced budget. The budget resolution I voted for would balance the budget by 2002, begin to reduce the national debt, stabilize the Medicare trust fund, and invest in our children through student loans, Head Start, and childhood immunization. It would make tough but fair cutbacks in almost every part of the budget: foreign aid, welfare, agriculture, transportation, housing, and many others. It did not raise tax rates. The gradual reductions would cut the deficit in half by 1999, provide a surplus in 2002, and reduce the national debt (the sum of yearly deficits) by \$160 billion more than the majority's budget. This budget received the most bipartisan support. Unfortunately, it was defeated.

The Majority Plan: The majority leadership's resolution passed the House. While I disagreed with several of its priorities, the majority's budget has some positive features. It is a serious attempt to break the pattern of government overspending with hard targets and a final date to balance the budget. It forces the nation to confront fiscal decisions avoided for too long.

The majority's budget would cut spending for virtually all federal programs except defense, which would increase significantly. It also assumes cuts in tax revenue by \$280 billion reduction over seven years and an additional \$350 billion in the following three years.

The largest savings in the majority budget come from a \$288 billion in Medicare services, compared to spending levels required under current law. The plan would eliminate 284 programs, reduce student loans, cut major agricultural programs, and make significant cuts in child nutrition services. Heating assistance to low-income families would be abolished, and only 50 percent of housing assistance vouchers for older persons would be renewed. The majority's budget would also eliminate small business assistance, community development funds, and assistance to rural communities for wastewater treatment.

Reservations: I did not support the majority budget resolution for several reasons:

First, the majority delayed most of the tough spending cuts until 2001. Until then, we will have deficits in excess of \$100 billion per year. My preference is to reduce spending gradually each year, rather than postponing action.

Second, the job of balancing the budget is made much more difficult by huge tax cuts. I do not think we can justify large tax breaks until the budget is balanced—especially when the tax cuts start early and the bulk of the spending cuts are delayed for six years. If and when a surplus occurs, then Congress should pass tax cuts. It does not make sense to borrow more money to give ourselves a tax cut.

Third, my spending priorities are different. Half of the total savings come from health care and assistance to the poor. We should not ask the poor to bear more than their share of the burden. The curbs on Medicare and Medicaid are too steep. I prefer fair, across-the-board cuts in most programs, and deep cuts in "corporate welfare"—wasteful subsidies to business. We should also preserve funding for long-term investments such as health and science research, infrastructure, and education. These are necessary to continue economic growth, increase revenues, and reduce the deficit.

Fourth, the majority budget devolves a great deal of responsibility to state and local governments in a short period of time. This may be a good idea in many cases, but we need more information on the ability of these governments to handle new duties. Balancing the federal budget will be a hollow victory if state and local governments fail to run programs well or raise taxes to meet exploding costs.

Fifth, I am not convinced the majority plan would achieve a balanced budget. The plan makes optimistic economic assumptions that it could lower interest rates almost two percentage points and boost economic growth. That might occur, but the hope of \$170 billion in savings from this should not be assumed in advance.

Conclusion: The House action on the budget was a significant step toward restoring fiscal responsibility to the federal government. The Senate has also passed a budget resolution, with no immediate tax cut. The House and Senate resolutions must be reconciled in what will be a contentious conference committee, with tax cuts at the center of debate. The budget resolution itself is not subject to a Presidential veto, but the measures to implement it must be approved by the President.

The toughest choices lie ahead, when Congress debates these specific spending cuts. It is one thing to say that Medicare services must be reduced by \$288 billion over seven years, but quite another to decide exactly how these savings will be accomplished. The real budget decisions are just beginning.

The popular promise of 1994, that the budget could be balanced painlessly, will not be kept. The strongest evidence of that is the deep cuts in Medicare and Medicaid services. The right way to reduce the deficit is to distribute the burden of spending cuts fairly. The challenge is to balance the need for austerity with critical investments in long-term growth. We should reduce unnecessary and marginal programs, but also invest in programs that will help working families build a more prosperous future.

TRIBUTE TO LORNA M. HART

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1995

Mr. DIXON. Mr. Speaker, I rise today to pay special tribute to Mrs. Lorna M. Hart for her 30 years of outstanding service as a teacher in the Los Angeles Unified School District. In recognition of her dedication to the children of Los Angeles, Mrs. Hart will be honored by her friends and family at an appreciation dinner on June 10, 1995. It is a pleasure to share with my colleagues just a few of her many accomplishments.

A dedicated student, Mrs. Hart received her bachelor of arts degree from the University of California at Los Angeles [UCLA] in 1960. By 1965, Mrs. Hart received her general elementary teaching credentials and began her 30 year career with the Los Angeles Unified School District. Later, she returned to school, and in 1975 she earned her masters of arts in education from California State University, Los Angeles, as well as a media education credential.

From 1964 until her retirement in September of last year, Mrs. Hart taught elementary and special education, touching the lives of many young students. As a special education teacher to students with physical disabilities, Mrs. Hart worked closely with administrators, school support staff, teachers, and parents to enrich the educational experience of disabled youth. Mrs. Hart was also responsible for implementing "Career Week" for young children and served on the Ethnic Heritage Committee for the Los Angeles Unified School District.

In addition to her teaching, Mrs. Hart has contributed greatly to the Los Angeles Christian community. Mrs. Hart was ordained to preach the gospel and is the former assistant pastor of the People's United Community Church of Christ, Inc. Mrs. Hart is currently affiliated with the Emmanuel Independent Community Church where she is an associate pastor and minister of christian education. She serves on the board of directors for Christian Women in Action, is president of the Community Alliance of Pastors and Ministers, and treasurer of the West Adams Christian Athletics.

Mr. Speaker, I urge my colleagues in the House of Representatives to join me in saluting Mrs. Lorna M. Hart on her many years of dedicated service to her students and the Los Angeles Unified School District. It is a pleasure to join her family, friends, and colleagues in recognizing her distinguished teaching career and wishing Mrs. Hart well on the occasion of her retirement.

FIFTIETH WEDDING ANNIVERSARY OF EDWIN AND CHARLOTTE WENTA

HON. WILLIAM O. LIPINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, June 7, 1995

Mr. LIPINSKI. Mr. Speaker, it gives me great pleasure to bring to the attention of my colleagues an exemplary couple from the Third Congressional District of Illinois, Mr. and